

CHAPTER 10

Rising Interests in the Persian Gulf

The 1973–1974 Arab oil embargo catapulted the Persian Gulf to the top of the U.S. national security agenda. Major oil-producing Arab countries imposed the embargo on the United States and other nations in retaliation for supporting Israel during the Arab-Israeli War. On October 26 U.S. officials met with oil company executives in Washington to discuss concerns about the embargo’s impact. “What we are talking about,” Exxon board chairman John Kenneth “Ken” Jamieson warned Secretary Kissinger, Deputy Secretary Clements, and others, “is the possible breakdown of the [U.S.] economy.” Clements, a former Texas oil man, agreed: “This could be a true disaster.” The embargo abruptly introduced much of the American public to the United States’ growing dependency on Arab oil, as gas prices quadrupled, lines stretched for blocks to fill fuel tanks, and the government implemented rules about which days of the week gas could be purchased. Over time, the embargo contributed to a period of economic turmoil in the United States not seen since the Great Depression of the 1930s, including soaring inflation, rising unemployment, and shrinking gross domestic product.¹

The oil embargo carried significant implications for the U.S. Defense community. The Defense Department depended on a reliable supply of Persian Gulf oil to fuel activities across the globe—and to maintain U.S. military readiness at home. A DoD paper prepared for President Nixon’s Cabinet Task Force on Oil Import Control in 1969 called oil a “strategic material and one of the few items that is absolutely essential and foremost in the minds of military commanders,” and as vital as weapons and ammunition. It assessed that approximately 65 percent of the petroleum required for the war in Southeast Asia came from the Arabian Gulf, with another 25 percent coming from the Caribbean and other nearby sources, and 10 percent

from the United States.² By October 1970 an NSC Review Group calculated that the Gulf countries were supplying 89 percent of the oil used by U.S. forces in Southeast Asia. U.S. allies in Europe and the Pacific, including Japan, also depended heavily on Gulf oil, which provided for 55 percent of Western Europe's needs and 90 percent of Japan's. The DoD report that was prepared for the Task Force summarized the implications for the United States in stark terms: "The very chance of success or failure in any conflict hinges on oil."³

The U.S. approach to the Persian Gulf region changed during the Nixon-Ford era. The British withdrawal from the area in the late 1960s opened the door to greater U.S. involvement. At the beginning of the 1973 crisis, Secretary Schlesinger proposed seizing Arab Gulf oil fields, an indication of the importance of Gulf oil to the U.S. military. Logistical and political challenges rendered the concept impractical. Schlesinger nevertheless expanded the U.S. naval presence near the Gulf by deploying aircraft carriers from the Pacific Ocean in the Indian Ocean and ultimately persuaded Congress to enlarge the U.S. military presence in the region. In the future, with new military facilities on Diego Garcia, U.S. power would be on display for Gulf oil-producing states, and for the Soviets, and would enhance the U.S. ability to respond with force to crises. As the Defense Department sought to expand its military footprint, it also managed complex relationships with Saudi Arabia and Iran, the Gulf area's major U.S.-allied states. President Nixon's so-called "twin pillars" policy, relying on Saudi Arabia and Iran to advance U.S. security interests in the region, swung into high gear after the oil crisis. In the case of Saudi Arabia, DoD was a driving force in the development of a broad, tightly knit U.S.-Saudi security alliance. Yet when it came to Iran, the Pentagon did not want the Shah of Iran [Mohammad Reza Shah Pahlavi] to have unfettered access to all nonnuclear American arms and technology—a position that put senior Defense leaders at odds with President Nixon and

Secretary Kissinger. The U.S. government's handling of Iran—and other regional challenges during the Nixon-Ford years—shaped U.S. military involvement in the Persian Gulf region during the decades that followed.⁴

View on the Eve of the Crisis

By the beginning of the second Nixon administration in January 1973, the United States had long been accustomed to playing a limited, subordinate role in Persian Gulf security affairs. For decades, Washington had relied on London to safeguard common security interests there because Britain's global empire included political protection agreements, military bases, and major economic ties there. When British Prime Minister Harold Wilson announced in January 1968 that his government would withdraw its military forces from east of the Suez Canal by 1971, Washington made a conscious decision to avoid assuming the former British commitments. Neither the Lyndon B. Johnson, nor the Nixon administration, in its first term, wanted or intended to replace America's close ally as the region's superpower.

Two dynamics weighed in favor of continuity as President Nixon entered his second term. First, Americans suffered war fatigue as U.S. military involvement in Vietnam ended, so neither Congress, nor the American public, had any appetite for expanding military commitments to a new region. Second, as the Soviet threat evolved, U.S. officials focused on NATO commitments in Europe. Thus, it was not surprising when Nixon's first defense secretary, Elliot Richardson, told British Defense Secretary Lord Peter Carrington in April 1973 that Washington considered it important for London to maintain its influence in the Persian Gulf.⁵ The Department of Defense did not want to expand the U.S. role there.

Nonetheless, U.S. interests in Gulf oil resources and in checking Soviet influence in the region required a policy response. Washington turned to its political allies in the area—the Shah of Iran and to a lesser extent the al-Saud rulers of Saudi Arabia. During summer 1973, President Nixon hosted the Shah for a lavish state dinner to strengthen bilateral relations. The president sought a new equilibrium between wealthy American oil companies and the oil-producing states that had granted them concessions.⁶ These efforts paralleled moves the president had made on the domestic front as U.S. vulnerability to oil shocks reached emergency proportions. In April 1973, he delivered a special message to Congress on U.S. energy policy, supporting the development of domestic resources like nuclear energy, coal, oil, and natural gas; launching an energy conservation program; and reorganizing the federal government to better address energy issues.⁷ The previous month Nixon had directed an interagency study group, which included the DoD, to assess the security implications of global energy supply and distribution. One prescient area to be studied was how to mitigate the potential impact of reductions in foreign oil supplies, including a decrease due to boycotts by producer nations. On the transmittal sheet attached to JCS Chairman Admiral Moorer’s copy of the presidential directive, the military assistant to the defense secretary, Rear Admiral Daniel J. Murphy, wrote, “Very important subject. All major future wars will be fought over, for, and about energy sources (primarily oil).” Moorer signaled this point’s significance by placing a large checkmark next to this comment.⁸

Before the 1973 Arab-Israeli War, DoD and the U.S. Intelligence Community believed Arab-Israeli tensions might have disturbing energy implications for the United States. Defense maintained that oil could be used as a weapon by foreign suppliers, including countries with which the United States had friendly relations. A decision by a normally friendly country to deny the United States oil could be “just as final as the destruction of those [oil] sources” by an enemy

country, the Department assessed in the 1969 study prepared for Nixon's Cabinet Task Force on Oil Input Control. The "most severe test" of the DoD petroleum procurement system in recent years had been the 1967 Arab-Israeli war, the study observed. A 1970 national intelligence estimate judged that the chance of an Arab oil embargo would be high in any future Arab-Israeli conflict: "In the event of a resumption of Arab-Israeli hostilities, some interruption of oil shipments seems almost certain."⁹

During spring and summer 1973, Saudi leaders, including King Faisal bin Abdulaziz Al Saud and Minister of Oil and Mineral Resources Ahmed Zaki Yamani, warned that Saudi Arabia would restrict oil exports if progress was not made toward an Arab-Israeli political settlement. In April, Schlesinger, then director of the CIA, told President Nixon, "The Saudis are raising the prospect of a cutoff in oil supplies in an effort to induce the United States to push harder for a peace settlement in the Middle East." Schlesinger was quite aware of the Arab oil supply problem by the time he informally assumed the role of defense secretary following Elliot Richardson's appointment to attorney general in May 1973.¹⁰

By June 1973 another NIE assessed that "the increasing importance of Gulf oil, coupled with Arab frustration over the impasse with Israel, raises the specter of oil being used for political purposes—something occasionally threatened but not attempted on a large scale before." The study continued, "A major intensification of the crisis in Arab-Israeli affairs" could lead to a situation in which the Arab Gulf states "would all feel compelled to take actions against the U.S., which they regard as Tel Aviv's principal ally.... It would not be as easy for the U.S. to ride out this storm as it was in the past."¹¹

In August, the draft interagency study that President Nixon had ordered provided little comfort. It projected an increasing U.S. dependence on imported oil, from nearly one-third at the

time to almost 60 percent by 1985. Moreover, the study foresaw there would be significant increases in global demand for oil that could be met only by rapidly expanding Middle East production.¹² When the study group convened several days later to discuss the next steps, there was general agreement that the United States needed a “major national effort to expand domestic supplies of energy” to reverse America’s increasing dependence on Arab oil. Activities on the domestic front, officials concluded, were utterly insufficient. In September, President Nixon sent a special message to Congress on national legislative goals, including energy matters. Congress must act on proposals to increase domestic energy production, he warned, or prospects for the future “could be very dangerous.... We will be at the mercy of the producers of oil in the Mideast.”¹³

By early October, on the eve of the embargo, there were concerns at the highest levels of government, including in DoD, about America’s growing dependency on Arab oil and its vulnerability to foreign restrictions on supply. Interagency assessments indicated that fresh Arab-Israeli hostilities might trigger an oil crisis of some sort. Secretaries Schlesinger and Kissinger even entertained contingency plans with the Shah for securing Arab Gulf oil as required by regional circumstances. Even so, the eruption of the Arab-Israeli war in October caught Washington by surprise, as did the scope of the far-reaching oil embargo that followed. The United States had few military options in place to respond to the oil crisis.¹⁴

Immediate Responses

Washington generally failed to predict war would break out between Israel and its Arab neighbors during the fall of 1973. The State Department’s Bureau of Intelligence and Research was a lone voice in warning that spring that there was a “better than even bet” of war between

Egypt and Israel by autumn. In late September, the National Security Agency reported that a sudden intensification of military signals indicated war could be imminent, but this warning was largely ignored by U.S. officials. Egypt and Syria chose the Jewish holiday of Yom Kippur, which fell on October 6 that calendar year, to conduct a surprise attack on Israel. The Department of Defense began airlifting military supplies to Israel the following week.¹⁵

Secretary Schlesinger and others in the administration understood that providing support to Israel's war effort would jeopardize the United States' existing relationships with the Arab states in the Gulf region. During discussions at the White House on October 9 about if and how to resupply Israel, Schlesinger acknowledged that "if we seem to turn around a battle that the Arabs are winning, we are in trouble."¹⁶ The next day he told Kissinger on the telephone, "We may be faced with the choice that lies cruelly between support of Israel [and the] loss of Saudi Arabia."¹⁷ In his diary, Admiral Moorer recorded a somber prediction, "We are headed downhill on a toboggan that will drive a permanent wedge between the United States and the oil-exporting Arab states."¹⁸ Oil ministers in the Organization of the Petroleum Exporting Countries, happened to be meeting in Kuwait just days after the first American CA-5 transport plane arrived in Israel with U.S. supplies. On October 17, OPEC's Arab members agreed to reduce oil production by 5 percent each month until Israel withdrew to the 1967 borders. Some countries announced they would start reducing production by 10 percent, and others—including the United Arab Emirates (UAE) and Kuwait—announced a complete embargo on oil exports to the United States. Saudi Arabia initially rejected the idea of a total embargo but changed course after President Nixon proposed a \$2.2 billion military aid package for Israel, a sum intended to match the Soviet Union's massive resupply effort for Egypt. On October 20, the Kingdom announced it was cutting off all oil shipments to the United States. Other Arab countries that had not yet instituted

an embargo followed suit. Saudi Arabia soon extended the ban to include fuel deliveries to the U.S. military and insisted that the major oil companies, such as Aramco and Exxon, cooperate or face nationalization.¹⁹

Washington lacked military options to end the embargo. Importantly, the United States had no combat-ready military forces in the area. The only permanent American military presence was a naval task force established in 1948 that evolved into a command designated Middle East Force (MEF) in 1949. Based on the small island state of Bahrain, it included one command ship and two destroyers and was set up neither for combat nor requisite logistics support. In fact, the MEF's primary purpose was to help build and sustain diplomatic relations with regional states, and to show U.S. interest in the region. Chief of Naval Operations Admiral Elmo Zumwalt later referred to the force as "too small to give us any significant military capability."²⁰ Moreover, while the U.S. military services enjoyed close relationships with their Iranian and Saudi counterparts, Washington did not have military assets positioned inside either country that it could use to display U.S. power in relation to the embargo. American military resources in the two large Gulf allies consisted mostly of advisers and trainers who supported local armed forces and their use of American-made weaponry.

Absent local options, on October 28, Admiral Moorer ordered the aircraft carrier USS *Hancock* to cruise from the Pacific toward the Arabian Sea. In congressional testimony he described its mission there as providing a "visible demonstration of U.S. presence and interest."²¹ Zumwalt had wished to keep the *Hancock* in the Pacific and instead augment the Middle East Force to respond to the new developments in the Gulf region. Sending aircraft carriers toward the Gulf would tax logistics support capabilities and reduce capacity to support forces in other key areas such as the Western Pacific, Zumwalt believed.²² However, Secretary

Schlesinger was intent on displaying more U.S. power near the Arabian Peninsula's vast oil resources. "Our problem is lack of respect for [the] U.S." in the region, the defense secretary told Chairman Moorer on October 26. "If we show some force in this area, [we will] earn respect, [and if] the American public gets cold this winter, [there will be] less sympathy for [the] little sheikhs." Three weeks later the secretary affirmed that "power will move to those who control [the] energy supply."²³

In early December, Secretary Schlesinger announced that after the scheduled departure of the *Hancock*, another task group from the Pacific Fleet, including the carrier USS *Oriskany*, would take up position near the Gulf peninsula. Moreover, he proclaimed that in the future, the Navy would establish a "pattern of regular visits into the Indian Ocean" and that "we expect that our presence there will be more frequent ... than in the past."²⁴ Task groups led by the USS *Oriskany*, USS *Bainbridge*, and USS *Kitty Hawk* remained in the Indian Ocean until April 1974. An interagency study later would assess that, given these new naval deployments, "the Arab states could not ignore the possibility that we might at some future time be driven to react with force."²⁵

As Schlesinger expanded the U.S. naval presence near the Gulf, he also considered a more dramatic option to help guarantee reliable supplies of oil for the United States and its allies: a military takeover of certain oil fields. The secretary had signaled his thinking more than a month before the start of Arab-Israeli hostilities. Amid Saudi oil threats and Libya's nationalization of its oil industry he told Kissinger that should the need arise, "The Iranians could take Kuwait but not cross the Gulf."²⁶ Days after the outbreak of the October War, Schlesinger aired with Kissinger the idea of a U.S. military takeover: "If interests in the Middle East are at risk," the United States may be faced with a choice between "occupation or watching them go

down the drain.”²⁷ Although the secretary was a primary proponent of developing such contingency plans, he did not view U.S. occupation as a likely scenario. Schlesinger acknowledged on October 29, after the Arab-Israeli cease-fire had been achieved, that the United States still had the “oil problem” in the Middle East: “Maybe [we should develop a] contingency plan to occupy [the] Trucial States.... [I’m] not saying [we] will ever do this—but maybe 10% if diplomacy fails.”²⁸

Schlesinger was drawn to the idea of an amphibious assault on Abu Dhabi involving U.S. Marines. At that time the newly formed, oil-rich UAE was “a collection of small, traditional communities largely lacking central governmental institutions,” as described by a June 1973 NIE.²⁹ Admiral Moorer considered Abu Dhabi the “most feasible ... rather the least unattractive” option in the Persian Gulf.³⁰ “Abu Dhabi would give us what we want,” Schlesinger told Kissinger.³¹ “We have been talking about using the Marines,” he said.³² Years later, Schlesinger would recall in an interview that this was not only talk: “I was prepared to seize Abu Dhabi. Something small. But nothing big. No, it wasn’t just bravado.”³³

For his part, Kissinger (dual-hatted since September as national security adviser and secretary of state) initially expressed disdain for the idea of using U.S. troops to secure Gulf oil fields. On October 27, when White House Chief of Staff Alexander Haig discussed with Kissinger Schlesinger’s idea of “putting troops in crucial states to get oil,” Kissinger replied: “He is insane ... I do not think we can survive with these fellows in there at Defense—they are crazy.”³⁴ However, Kissinger quickly warmed to the idea of military action as a viable option for countering the embargo. For the secretary of state, it was the prospect of economic “strangulation” of the industrialized world that would prompt U.S. military action.³⁵ “Let’s work out a plan for grabbing some Middle East oil if we want,” he suggested in early November.³⁶

Several weeks later, Kissinger asked at a White House meeting, “Can’t we overthrow one of the sheikhs just to show that we can do it?”³⁷ Kissinger also came to regard the threat of force as a useful political tool. During a November 21 press conference, he subtly floated the idea of a possible military response to the embargo: “If pressures continue unreasonably and indefinitely, then the United States will have to consider what countermeasures it may have to take.” He added: “We would do this with enormous reluctance, and we are still hopeful that matters will not reach this point.”³⁸ In his memoirs, he recalled: “These were not empty threats.”³⁹

Secretary Schlesinger’s interest in military options to secure access to Gulf oil fields caused tension with some of the United States’ European allies. In early November, the secretary shared his rationale with members of the NATO Nuclear Planning Group. There, he communicated to Dutch Prime Minister Joop den Uyl, British Defense Secretary Lord Carrington, and German Defense Minister Georg Leber that “the United States did not intend to be driven to the wall in this situation.” He further told Dutch Foreign Affairs Minister Max van der Stoep that “we want it clearly understood” that while Washington was not advertising its position, “we will not tolerate this kind of blackmail and it would be most helpful if our partners were not so willing to pay it.”⁴⁰

British ambassador to the United States George Rowland Stanley Baring, 3rd Earl of Cromer, met with Schlesinger in Washington on November 15 to express London’s concern and defend its own regional policy. Afterward the ambassador reported that Schlesinger had said that British and European “overt acquiescence in Arab bullying” was setting a dangerous precedent. “It was no longer obvious to him,” Cromer recalled the defense secretary saying, “that the U.S. could not use force. An interesting outcome of the Middle East crisis was that the notion of the industrialized nations being continuously submitted to whims of the underpopulated, under-

developed countries, particularly of the Middle East, might well change public perceptions about the use of the power that was available to the U.S. and the Alliance.”⁴¹

The chairman of the Joint Chiefs of Staff and other uniformed officers were concerned about pursuing military action on the Arabian Peninsula. There was not sufficient logistical support available to U.S. forces to hold territory and extract oil over time. Furthermore, it would take time to move forces into position for such a campaign. “I am working up options,” Admiral Moorer told Secretary Kissinger in late October.⁴² However, even by January 1974, when Kissinger asked Schlesinger if he had “a contingency plan for the Middle East,” the defense secretary replied, “a piss-poor one.” Moorer added that the JCS did not yet have firm plans to put in forces.⁴³ DoD was waiting for London to agree to more comprehensive use Diego Garcia, a British Indian Ocean island, as a logistical base for any extensive U.S. operation on the Arabian Peninsula.

The October 1973 war concluded 20 days after it began. However, the Arab embargo on the United States endured for five months, finally ending after Kissinger negotiated an Israeli-Egyptian disengagement agreement, and when an Israeli-Syrian arrangement was on the horizon. The United States did not employ military force to seize oil fields, but the crisis confirmed the importance of local military capabilities to protect U.S. energy interests in the region. With the immediate crisis behind it, the U.S. Government and Defense leadership turned attention to building a new security relationship with a key actor of the embargo—Saudi Arabia—so that another oil crisis could be averted.

Deepening Ties with Saudi Arabia

The 1973 embargo brought the new political clout of young, oil-producing nations in the Gulf region into sharp relief and demonstrated their growing power vis-à-vis militarily strong oil-consuming nations. If Washington were to secure reliable access to the Gulf peninsula's massive oil resources, it would need a new approach to these countries, especially Saudi Arabia, which according to a 1973 NIE study would be the single most important supplier for the United States and its allies at least through 1980.⁴⁴

President Nixon, Secretary Kissinger, and Saudi Arabia's King Faisal and Prince Fahd worked together to bring the oil embargo to an end in March 1974. From DoD's perspective, it was important during negotiations that U.S. diplomats avoid concessions to Riyadh for lifting the embargo. However, during the weeks immediately prior to an agreement, Kissinger sought to promote a new expanded bilateral relationship with the Saudis, particularly in security and economic affairs. He viewed closer bilateral relations first and foremost as giving Washington greater influence over the price of Saudi oil.⁴⁵ Despite the possible appearance of U.S. concessions, DoD also supported a tighter security relationship with the Kingdom. In February 1974, one month before the embargo ended, Admiral Moorer laid out an argument for closer bilateral ties in a memorandum to Secretary Schlesinger regarding new basing and facility requirements in the region. The Chairman argued that maintaining access to vital oil resources in the Gulf would hinge upon the United States displaying an unmistakable resolve to oppose threats to regional stability and develop "relationships of mutual respect" with the Arab oil countries.⁴⁶ He believed "Arab nations should be provided an alternate to the presence and assistance of the USSR." The United States could achieve this goal by ensuring access to high-quality, professional U.S. military assistance via advisory groups, defense attachés, engineers,

trainers, and technical teams. The JCS chairman also recommended expanded exchange programs and orientation tours. These programs, Moorer urged, should receive high priority.⁴⁷

From Schlesinger's perspective, developing closer strategic ties with the Kingdom would help thwart Soviet influence in the Gulf and maintain stability and access to oil on the Arabian Peninsula. For their part, the Saudis shared the U.S. view of the Soviet Union as the principal menace to the peninsula's stability and security, and they welcomed additional assistance in hindering Soviet influence with socialist leaders in the People's Democratic Republic of Yemen (PDRY) on the Kingdom's southern border and with the Baathist government of Iraq to its north.⁴⁸ Strongly supporting the State Department and DoD, Secretary of the Treasury William Simon saw deeper relations with Riyadh as being economically advantageous to the United States. The quadrupling of oil prices since the embargo meant Saudi Arabia possessed substantial new wealth. From 1973 to 1974 the Kingdom had seen its oil earnings jump from \$8.5 billion to \$35 billion. Saudi purchases of American weaponry, along with commercial and public-sector investment in the United States, could aid the faltering U.S. economy. Saudi military purchases and financial investments would help "recoup" U.S. dollars lost to higher oil prices in the post-embargo era. Moreover, tying Riyadh's economic future to that of Washington would contribute to preventing another Saudi oil embargo because under the new circumstances, if the U.S. economy were to slump due to an oil embargo, Saudi Arabia's economic interests would suffer as well.⁴⁹

King Faisal was highly enthusiastic about the planned upgrade in bilateral defense relations. With a modern military and security apparatus, he believed, the Kingdom would be better positioned to achieve its rightful role as leader of the Arab and Muslim worlds. Upon Riyadh's request, DoD began preparing for an extensive survey of Saudi defense needs in April

1974—almost immediately after the embargo ended. Completed in September, the survey proposed major increases in the amount of military equipment and technical assistance provided to Saudi armed forces.⁵⁰ Secretary Schlesinger, Deputy Secretary Clements, Admiral Moorer, and other Defense officials met with then Prince Fahd bin Abdulaziz Al Saud during his June 1974 visit to Washington to discuss security cooperation. Schlesinger explained two aspects of future cooperation on military matters: one concerned the broader strategic situation in the Middle East (i.e., deterring Soviet aggression and maintaining stability) and the other had to do with the forces, doctrine, training, and hardware needed to strengthen Saudi armed forces. Schlesinger noted that DoD was prepared to train large numbers of Saudi personnel in the United States and Saudi Arabia, as Riyadh wished.⁵¹ For his part, Prince Fahd emphasized that the Kingdom sought to strengthen its forces only for defensive purposes, and would not be seeking to do so had the Soviet Union not “tak[en] advantage of certain ‘open doors and windows’” and started “showering arms upon the PDRY and Iraq.” The meeting confirmed that Schlesinger and Prince Fahd were on the same page about countering the Soviet threat to stability in the Gulf.⁵²

Although both countries were eager to expand military cooperation, they faced several challenges from the outset. The Saudis thought Washington moved far too slowly to meet their defense needs. During his Washington visit, Prince Fahd had asked the United States to expedite 40 foreign military sales cases. Five months later, in November, Saudi adviser Prince Turki bin Faisal bin Abd al-Aziz al-Saud delivered a message from King Faisal to Secretary Schlesinger: “Please emphasize to our friends in the United States, our urgent need for them to meet our military requests which we regard as important.”⁵³ In part, the U.S.-Saudi disconnect was about the time it took to consider, approve, and deliver defense items given the bureaucratic differences between the two countries. On the U.S. side, Saudi requests were filtered through multiple

agencies in the large federal bureaucracy, a process quite different from the more immediate decision-making characteristic of the Saudi system. Nevertheless, DoD tried to address Saudi concerns as the security relationship developed. Secretary Schlesinger requested a status report on outstanding FMS cases and, in early October, brought Brig. Gen. John G. Hill Jr., chief of the U.S. Military Training Mission in Saudi Arabia, to Washington to discuss how best to implement the DoD surveys. The Specialist Team itself would go to Saudi Arabia in late October prepared to discuss with the Saudis the status of outstanding FMS cases, problems in ongoing programs, and plans based on agreed upon points for implementing the recommendations in the DoD survey. As part of the plan, Assistant Secretary (ISA) Robert Ellsworth would travel to Saudi Arabia for meetings of the new U.S.-Saudi bilateral security commission.⁵⁴ Throughout the discussions, Defense officials worked to ensure the Saudis could readily absorb U.S. assistance. Too much aid too quickly, they believed, would create problems for Saudi forces. While reaffirming the U.S. commitment to strengthening the Saudi military, Schlesinger, and Clements raised these concerns to Prince Turki in November 1974. Although Turki accepted the explanation, the pace of deliveries remained problematic for both sides.⁵⁵

Other differences between the two countries created challenges for U.S. and Saudi security ties. In February 1975, for example, DoD subcontracted a \$77 million program to Vinnell Corporation to train the Saudi Arabian National Guard (SANG). In the Defense Intelligence Agency's judgment, the guard was "almost totally lacking in military managerial capabilities ... organizationally primitive, and ... plagued by the almost total illiteracy rate of the Bedouins in the Guard."⁵⁶ The Vinnell contract was the first of its kind awarded to a private American company. To perform the work, Vinnell sought to recruit former U.S. Special Forces soldiers and other war veterans for a 1,000-person mission to send to Saudi Arabia. However, the

original contract prohibited Vinnell from employing women and individuals from countries not recognized by Riyadh, as well as individuals, who had personal contact with, or interests in, countries not recognized by Saudi Arabia (such as Israel). The exclusionary clauses caused an uproar when they became public, especially in Congress. The Pentagon informed Vinnell that the contract was illegal in its original form and had the offending clauses struck from the document. President Ford himself ordered additional measures to counter discriminatory practices, requiring federal agencies to inform State Department of any visa rejections linked to the exclusionary policies of a host nation regarding race, color, religion, national origin, sex, or age. Ford's initiative, however, upset Riyadh, which threatened to turn to other weapon suppliers.⁵⁷

Political tensions permeated the bilateral relationship, as well. In the wake of the embargo, Secretaries Schlesinger and Kissinger privately continued to consider military action against oil-rich Gulf states as a viable option if another energy crisis occurred. In August 1974, five months after the embargo had been lifted, Schlesinger suggested that "we might have to seize Abu Dhabi" in a future crisis and said he "may put some Marines in the Indian Ocean" at Diego Garcia for this purpose. Kissinger commented that seizing Abu Dhabi should be planned for and wondered if the U.S. military had contingency plans for both Abu Dhabi and Saudi Arabia.⁵⁸ When hints of what the United States was considering were aired publicly, they caused great offense to the Saudis and to the smaller Gulf states. Schlesinger made a series of public remarks along these lines during the spring of 1975. On May 18, during the ABC television program *Issues and Answers*, the secretary said the United States would be less tolerant of an embargo and could use military action to avoid another oil boycott. Days later, when asked by a *U.S. News and World Report* interviewer what being "less tolerant" of a renewed oil embargo

might mean, the secretary responded he would not “indicate any prospective reaction other than to point out there are economic, political, or conceivably military measures in response.”⁵⁹

Immediately following these remarks, Prince Fahd—by this time, crown prince—turned down an invitation to visit President Ford in Washington on July 10, 1975, and asked that the trip be postponed indefinitely. Deputy National Security Adviser Brent Scowcroft noted in a May 21 telegram to Kissinger that the prince’s delay of his visit “may have been linked” to the defense secretary’s comments in the press.⁶⁰ After several exchanges with the U.S. embassy in Riyadh about how to handle the situation, Kissinger asked the U.S. ambassador there to convey the following message in person to King Khalid bin Abdulaziz al-Saud and Prince Fahd: “It is not our policy to threaten our Arab friends. Our policy is to work cooperatively to strengthen our bilateral relations and to resolve, in that spirit, any differences between us.”⁶¹

Schlesinger’s successor as defense secretary, Donald Rumsfeld, refrained from public discussion of U.S. contingency plans in the Persian Gulf and generally took a more dispassionate view of the U.S.-Saudi relationship. When asked during his November 1975 confirmation hearing about major arms sales to Saudi Arabia, Rumsfeld coolly remarked on the long history of U.S. security ties with both Riyadh and Tehran and the overall strategy of encouraging regional states “to take the lead in assuring the security of the area.”⁶² Even 10 months later, when Assistant Defense Secretary (ISA) Eugene McAuliffe told Rumsfeld that sending Deputy Secretary Clements as his representative to a Saudi military ceremony might give Riyadh some much needed assurances about the steadfastness of U.S. support, the secretary responded “Gene, you decide and handle it.”⁶³ Like Schlesinger, Rumsfeld viewed U.S.-Saudi security ties primarily through the Cold War prism and recognized the importance of securing vital oil supplies for the United States and its closest allies. But the

arms sales central to the bilateral relationship ran into opposition in Congress. During a July 1976 visit to Washington, Second Deputy Prime Minister and SANG Commander and then-Second Deputy Prime Minister and SANG Commander Prince Abdallah bin Abd al-Aziz al-Saud remarked to Secretary Rumsfeld that while the Saudis realized the United States was firmly anticommunist, they “would very much like to see some tangible evidence of [U.S.] intentions” in the form of greater military assistance to anticommunist governments like Saudi Arabia. Abdullah thought “the American Congress is to blame” for the lack of forward movement on arms purchases. Rumsfeld responded that President Ford was committed to countering the Soviet threat in the Gulf region and noted that the mood of Congress was improving.⁶⁴

An ASD(ISA) brief prepared for Secretary Rumsfeld in advance of then-Minister of Foreign Affairs Prince Faisal bin Abdul al-Aziz al-Saud’s U.S. visit that September echoed Saudi frustrations. Despite DoD’s view of the Saudi requests as “justified and reasonable,” the State Department and White House reduced the quantities of munitions approved, following consultations with congressional leaders.⁶⁵ The American public also was skeptical about major arms sales to the Gulf. Rumsfeld explained to President-elect Jimmy Carter in January 1977 that the process for assessing Saudi (and Iranian) weapon requests “currently in effect, was not bad, but did not seem to make much sense to the American people.”⁶⁶

Nonetheless, by the end of the Ford administration, officials had sorted out many of the initial challenges in the U.S.-Saudi defense relationship. In March 1976, Acting Assistant Secretary Amos Jordan visited Saudi Arabia and reported finding an atmosphere “more harmonious and less abrasive than has been the case for several years.” The assistance programs

had greatly improved from both countries' perspectives. Jordan saw good results from the F-5E program, training exercises by combined forces, and work by the U.S. Army Transportation Corps to improve conditions at Saudi seaports on the Red Sea (Jidda) and the Persian Gulf (Dammam). Two months later, Washington and Riyadh concluded a \$1.4 billion deal to equip two Saudi mechanized brigades with M60 tanks, M113 armored personnel carriers, and the tube-launched, optically tracked anti-tank missile system.⁶⁷

A paper prepared for President-elect Carter's transition team in early 1977 described the defense relationship as having entered "the take-off stage."⁶⁸ By that time Washington had committed to overseeing the development of an effective jet interceptor (F-5) force capable of defending the Kingdom against attack; managing a 10-year program in which Saudi Arabia would acquire an 18-ship navy, two naval bases, and trained personnel; mechanizing two out of four Saudi army brigades; training the Saudi Arabian National Guard; and managing a multibillion dollar military construction program.⁶⁹ As for private contracting work, the Saudis had contracted directly with U.S. firms for an air defense missile system (Raytheon Company), an air defense radar network (Lockheed Corporation), and a fleet of C-130 military transport aircraft (Lockheed Corporation). These acquisition requests were in many cases based on recommendations made in the 1974 Defense survey of the Saudi armed forces.⁷⁰ The U.S.-Saudi defense relationship had evolved significantly since the early 1970s.

Concerns about Supplying Iran

While DoD played a major role in building closer relations with Saudi Arabia after the October War, when it came to the other member of Nixon's "twin pillars"—Iran—the Pentagon was a voice of caution. At the time, the U.S.-Iran relationship was built on personal ties between

President Nixon and Mohammad Reza Shah Pahlavi, who first became acquainted in 1953 when Nixon was vice president. In May 1972, President Nixon and the Shah struck a grand bargain in Tehran that ultimately served as the foundation for U.S.-Iran defense ties throughout the remaining Nixon and Ford years. The two leaders reached a gentlemen's agreement during meetings that spring granting the Shah access to all nonnuclear American arms and technology, as well as U.S. military advisers and technicians. Kissinger articulated the president's overarching view of the arrangement two months later when he said "in general, decisions on the acquisition of military equipment should be left to the Government of Iran." In turn, the Shah accepted a principal role protecting U.S. interests in the region—a role the Iranian leader himself had long sought. The deal was widely perceived as an American "blank check" for Iran, while Iran became known as the "policeman" of the Gulf.⁷¹

Elliot Richardson did not engage much in U.S.-Iran affairs during his short tenure as defense secretary, but his successor, Schlesinger, met with the Shah twice during his first month in office (July 1973). Before these meetings, ASD(ISA) Robert Hill reminded Schlesinger of the Shah's belief that he had received "a major understanding" from President Nixon in May 1972 "to the effect that Iran could get all available sophisticated weapons short of atomic bombs."⁷² During the congenial meetings in Washington, the Shah made major requests for U.S. air and naval equipment as expected. For his part, Schlesinger sought to impress upon the Shah that superior arms did not necessarily achieve a country's objective, because much depended on the Iranian military's ability to employ the weaponry effectively.⁷³ As with Saudi Arabia, Schlesinger believed that strong U.S. relations with Iran served as an important check on Soviet influence in the Gulf—and protected U.S. access to Iranian oil. But U.S. weapons transfers to

Iran should occur at a measured pace to ensure Iranian troops were properly trained to use and maintain U.S. defense items.

Following these talks, the Shah sought to deepen security ties with the United States. To build on their discussions, Schlesinger sent retired Army Col. Richard R. Hallock, a colleague from his RAND days, to Iran as his unofficial representative. At the time, Hallock was a private consultant under contract to Defense Advanced Research Projects Agency (DARPA). In Iran he was to provide the Shah and his arms purchasing officer, General Hassan Toufanian, with professional assessments about weapons purchases while keeping the secretary informed of the Shah's views and any problems that might occur.⁷⁴ Hallock quickly ingratiated himself with the Iranian leadership and had an office near General Toufanian. However, in July 1974, while the colonel was employed by the Pentagon, Hallock's own California-based consulting firm signed a multimillion-dollar contract with Tehran, opening Hallock up to questions about the breadth of his activities in Iran. The Pentagon ultimately terminated Hallock's employment in January 1976.⁷⁵

Wider regional tensions had also shaped the U.S.-Iran relationship by late 1973. On the one hand, Iran had not joined the Arab oil embargo, and had agreed to provide support to the USS *Hancock* while the carrier was stationed in the Arabian Sea. In November, the Shah granted Washington permission to stage long-range surveillance (P-3), logistics (C-141/C-130), and carrier onboard delivery flights out of the coastal city of Bandar Abbas, Iran.⁷⁶ However, the Shah's leading role in raising the price of oil in December to help fund his military purchases bred deep resentment in the Pentagon. After the Shah requested U.S. Government—rather than foreign buyer—prices for his purchases, Admiral Moorer remarked, “Two can play this. Maybe

we should raise the price of our stuff to the Shah.” Schlesinger replied, “We are. I am thinking of charging him 1.9 [million] for the F-15 R&D.”⁷⁷

In 1974, Secretary Schlesinger assigned senior ISA analyst Glenn E. Blitgen the task of assessing DoD’s military supply relationship with Iran. The resulting study recommended a policy review, the establishment of “more refined guidelines than what the Shah wants, the Shah gets,” and a “more cautious and guarded” U.S. relationship with the Iranian monarch. It also proposed a risk assessment of “over-identification with the Shah” and “over-extension of the DoD relationship.” The ISA study asked when the United States would “cash our check of accumulated leverage,” or if military sales to Iran were sufficient justification for the current state of the relationship. Clements, the former oil man, took a more charitable view of the Shah that was out of step with ISA and with the secretary of defense, noting in response to Blitgen’s recommendations that Iran “did not join oil embargo ... [and] did supply Israel.” While his deputy secretary was sanguine about the U.S.-Iran relationship, Schlesinger grew more and more concerned about Iran’s ability to absorb and maintain U.S. weapons in its vast and growing inventory. In discussing Iranian weapons requests at an October 1974 meeting with Kissinger and Scowcroft, the defense secretary concluded ominously, “If you want a country in a mess in 3-4 years, Iran will be it.”⁷⁸

The Office of Program Analysis and Evaluation (PA&E) echoed ISA’s and the secretary’s shared concerns about the direction of U.S.-Iran military ties. In January 1975, Assistant Defense Secretary Program Analysis & Evaluation Leonard Sullivan worried about the growing size of the U.S. presence in Iran (approximately 17,000 Americans then resided in Iran—about four times the size that lived there in 1970) and about the scale of U.S. transfers of sophisticated military equipment—nearly \$6 billion worth of FMS expenditures in FY 1973 and

FY 1974. Sullivan identified three potential risks in these developments: the United States could become enmeshed in Iranian military adventures by furnishing arms and technical expertise; the influx of Americans could create social problems in Iran, making Americans the target of xenophobic feeling or political dissent; and the Iranians could direct their frustrations against the United States should Tehran fail to meet its ambitious modernization goals. At worst, Sullivan predicted, the United States might be expelled from the country.⁷⁹

In advance of the Shah's May 1975 visit to Washington, Assistant Secretary (ISA) Ellsworth surveyed Iran's increasingly troubled internal situation for the secretary. The Shah had "tightened the screws even further" on Iranian media, rejected a parliamentary system, and abolished a token opposition party. He now had to confront "a steady and determined terrorism" specializing in the assassination of Iranian security and intelligence personnel. Even though the State Department spoke of a "mature" bilateral relationship while Kissinger quietly sought an oil agreement with Iran, Ellsworth saw the United States losing influence with the Shah and even enabling his repressive policies. To the defense secretary, he wrote, "[T]o a considerable extent, our policy in the Gulf area is actually the Shah's policy." Ellsworth hoped that Ford and Kissinger would "remind the Shah that our relationship can flourish only on a two-way street," and that the United States' use of Iranian facilities plus arms sales agreements "will not suffice as return traffic."⁸⁰ Ellsworth and Schlesinger were of similar minds, and their concerns grew after the Shah departed Washington. Two months later, in July, Ellsworth warned, "DoD is doing much more for Iran than Iran is doing for us, even when the long run is taken into account, and even when Iranian payments are weighed in the assessment."⁸¹

In an effort to nudge the bilateral defense relationship in a more sustainable direction, Schlesinger and Ellsworth lobbied the State Department to send an additional civilian defense

representative to Iran to supervise and coordinate all DoD activities there and report findings to the U.S. ambassador. Kissinger initially rejected the idea. On August 2, 1975 the Under Secretary of State for Management, Lawrence S. Eagleburger, warned the secretary of state (who was traveling in Europe at the time) that there was a “major scandal brewing” among DoD representatives, military contractors, and the Iranian government, and that management of the U.S. military sales programs in Iran “is, at best, a mess ... at worst, there are major illegalities.”⁸² In a separate telegram, State Department staffers identified a half-dozen major problems stemming from the huge expansion of the U.S. security assistance program—then estimated at \$9 billion orders, \$7 billion in deliveries.⁸³ The flood of U.S. weapons begged for oversight, and Kissinger ultimately approved the move. The new defense representative, formerly the principal deputy assistant secretary of defense (comptroller) and by then a special assistant in ISA, Erich Von Marbod, arrived in Iran in September 1975 and stayed in the role until March 1977. His primary responsibilities included providing advice on defense matters to the U.S. ambassador to Iran; keeping the Pentagon informed of DoD activities in Iran; and improving the interface among DoD, the U.S. Embassy, and Iranian defense personnel.⁸⁴

In early September, Schlesinger delivered a formal memo to President Ford expressing the concerns he and his OSD subordinates had been harboring for more than two years and recommending a major review of U.S. defense and security interests regarding Iran. In presenting the memo on September 2 the defense secretary told the president: “Iran has an almost limitless appetite and has so much on its plate they can’t digest it.” In addition, the expanding population of U.S. nationals in Iran could “provoke anti-Americanism and terrorism” and, should Iran’s political situation turn “sour,” a large American population there could leave Washington “very vulnerable.”⁸⁵ The secretary’s memo made the case that although it was in the

United States' interests for Iran to remain a strong regional military power, there were fundamental questions about whether the policy of supporting an apparently open-ended Iranian military buildup would continue to serve American long-term interests.⁸⁶

Kissinger, in his role as national security adviser in charge of the paper flow on foreign affairs to the president, resisted making fundamental changes to U.S.-Iran defense cooperation.⁸⁷ The White House delayed and then broadened Schlesinger's proposed Iran review, tasking it for action only after President Ford dismissed Schlesinger and appointed Donald Rumsfeld as secretary of defense in November 1975. As Kissinger had explained to Schlesinger the month before, "The President agrees with your recommendation," but "would prefer, however, that the review be extended as well to our defense and security policies in the entire Gulf region." Moreover, Kissinger wrote, such a study, via a national security study memorandum, could "most usefully be undertaken after the major decisions have been made concerning our overall policy on arms transfers ... and our revised defense relationship with Israel."⁸⁸ President Ford formally ordered the study of Persian Gulf policy, National Security Study Memorandum 238, in February 1976.⁸⁹ The report eventually was provided to the Carter administration as a background paper to support the review of arms transfer policy in 1977.⁹⁰

Secretary Rumsfeld generally took a more detached approach to the details of the U.S.-Iran defense relationship, as he also did with U.S.-Saudi ties. One of his most influential actions on Iran policy was appointing Ellsworth to serve alongside Clements as DoD's second deputy secretary of defense in late 1975. That post gave Ellsworth's skepticism added prominence, and he continued to warn of possible repercussions if the United States continued business as usual with Tehran. Most notably, in February 1976 he issued new guidance to senior DoD leaders for evaluating and approving sales of military equipment to Iran. Tehran had begun worrying about

inflation's effects on its U.S. weapons orders as Iran's oil revenue began dropping. Ellsworth saw this as giving Washington—and DoD—new leverage over the relationship. “In today's environment,” he wrote, “it is all the more important that DOD [*sic*] consideration of Iranian requests be most thorough and that we avoid any advocacy role.” As it always had, the United States would still weigh other nations' abilities to meet Iran's weapons requests when considering whether to approve sales of U.S. weapons to the Shah's government. But now, Ellsworth instructed, this would not “short-circuit or skew a complete deliberation of the merits” of Iran's requests by U.S. authorities.⁹¹

For Kissinger, it was confirmation that under Rumsfeld DoD continued to play the role of spoiler in the Iran relationship. “Ellsworth and Defense are viciously anti-Iran,” Kissinger complained to President Ford in August 1976. “Between Treasury and DoD they are on a vicious campaign” against Tehran, and they “are going after the Shah.” President Ford replied that, “The Shah is a good friend. He didn't go along with the embargo.... I will talk to Don [Rumsfeld] because I think Iran is very important to us.”⁹² By the end of the Ford administration, more than \$10 billion in arms had been sold to the Iranians, and the military assistance pipeline was jammed with programs that would extend for decades.

Limits for the Small Gulf States

While U.S. policy toward the Persian Gulf region focused heavily on the “twin pillars,” Iran and Saudi Arabia, U.S. officials delivered limited military assistance to the small Arab Gulf countries. In the cases of Bahrain, Qatar, the UAE and Oman, DoD considered the main security threat to be internal, notably from Arab revolutionary elements hostile to U.S. interests. Washington generally refused to sell sophisticated offensive weapons to these states, delivering

instead only items for maintaining internal security. According to Defense officials, advanced offensive weapon systems would undermine regional stability—and divert resources from the pressing needs of civil society. Among the small Gulf states, Kuwait alone received offensive weapons. A strong Kuwait, Washington held, promoted regional stability by deterring Iraq.⁹³

Given their short tenures at Defense, Secretaries Richardson and Rumsfeld devoted little attention to the small Gulf states. Clements handled most matters related to these countries during the Nixon-Ford era. For his part, Schlesinger met with several heads of state, or their representatives, and occasionally discussed military assistance and internal stability with U.S. government colleagues. To some degree, Saudi Arabia and Iran represented external threats to these countries, and DoD viewed the prospect of Saudi or Iranian intervention to restore order and stability as potentially desirable. “If one of the Gulf states blows up, could we have the Saudis take it?” Schlesinger asked offhandedly during an August 1974 meeting with Kissinger and Scowcroft.⁹⁴ However, in general Schlesinger viewed matters related to the small Gulf states through the prism of the Soviet threat. The expansion of Soviet power in the Persian Gulf, he warned the Kuwaiti ambassador in January 1975, would severely diminish the freedoms the Gulf states enjoyed. “In the case of Kuwait, with the proximity of Soviet power to the north, together with the role of Iraq, the importance of these factors should be well recognized,” Schlesinger remarked.⁹⁵ That same month Oman’s Sultan Qaboos asked Schlesinger how the United States would react if the Soviet Union intervened in the Gulf. The U.S. response would be “very quick,” Schlesinger said. “The Soviets must be warned off,” he added, as “Soviet domination of the Middle East would be a catastrophe for the industrialized states and the world as a whole.”⁹⁶

Building a Permanent Presence on Diego Garcia

The routine deployment of naval forces from the Pacific Ocean to the Persian Gulf region during the oil embargo highlighted the challenges of projecting sea power to an area that lacked supporting bases. The Pentagon could move forces into the area but could not keep them supplied for an extended period. Without support facilities in the Indian Ocean, U.S. ships were dependent on fuel and ammunition transported from U.S. Naval Station Subic Bay in the Philippines. Admiral Zumwalt observed that carrier task force operations in the Indian Ocean with such long supply lines, “taxed our logistics support capabilities to the absolute limit.” The new deployments near the Gulf also reduced the ability to support U.S. forces in other key areas in the Western Pacific. Secure bunkering and facility support from Arab countries was not a reliable option in the immediate wake of the October War because they perceived the United States as Israel’s chief supporter. Even Bahrain announced an intent to end homeporting privileges for the U.S. Navy (although in the end these privileges were extended).⁹⁷

The deficiencies exposed during repeated U.S. naval deployments made finding bases in the Gulf region an urgent priority. The Arab oil embargo helped drum up support beyond the military to expand the U.S. presence in the Middle East, and over time the strategic importance of such a presence gained wide acceptance across the Nixon and Ford administrations. “This might be a good time to do it [expand U.S. military presence in the region] as a reaction to the Middle East. Now it can be interpreted as ‘shoring up’ our Middle East policy,” Schlesinger remarked during a meeting with Kissinger, Admiral Moorer, Scowcroft, and Central Intelligence Agency Director William Colby on November 29, 1973.⁹⁸ An undated interagency study, likely completed about a year after the embargo, opened with the observation that the embargo,

together with the October War, “changed our perceptions dramatically,” and precipitated “an acute awareness of our new, and growing, dependence on petroleum imports.”⁹⁹

The imperative to secure oil supplies dovetailed with Schlesinger’s interest in preventing Soviet inroads and influence in the Gulf. The Soviets had moved rapidly to try and fill the vacuum left by the British retreat from the Middle East. Between 1968 and 1972, the number of days Soviet combat ships were present in the western Indian Ocean increased eightfold. The expected reopening of the Suez Canal (closed to international shipping since the 1967 Arab-Israeli War) would allow the Soviets to maintain a larger force in the region, and from Schlesinger’s perspective, this made an expanded U.S. presence even more pressing.¹⁰⁰ In a letter to a skeptical Senator John Stennis, chairman of the Senate Armed Services Committee, Schlesinger outlined the department’s rationale for an expanded U.S. presence in the Indian Ocean, saying it would provide “a clear signal to the Soviets of our resolve” to maintain a credible military capability there, and would have “a salutary effect on the Soviets by underscoring our strategic mobility” while demonstrating our “capability to meet contingency situations involving friendly governments.” Expanded U.S. presence in the region, the secretary added, would deter others from interfering with commerce in the area.¹⁰¹

The island of Diego Garcia in the central Indian Ocean’s Chagos Archipelago, part of British Indian Ocean Territory, emerged as the Pentagon’s preferred location for a base. Under a 1968 agreement between Washington and London, the U.S. Navy operated a communications facility on the remote island. U.S. facilities, upgraded in early 1973, included an 8,000-foot runway, a deep-water area, and a communications station. However, while the British allowed U.S. ships and aircraft to use Diego Garcia for transit, conducting military operations from the island required British approval. This limited U.S. operational flexibility. As Schlesinger told

Kissinger, “We have to ... get the British off our back.”¹⁰² In January 1974, the British conceded to revisions of the agreement and granted the United States permission to use facilities for regional operations. London demanded “consultation,” however, if the Americans planned to deploy nuclear weapons or amphibious forces to the island.¹⁰³ The two sides further revised the arrangement in March to give the Americans forces more independence.¹⁰⁴

The U.S. base on Diego Garcia would be vital to U.S. operations in the Persian Gulf during the decades that followed but securing congressional support to develop military facilities there proved difficult. The downward political pressure on the defense budget occasioned by the end of the Vietnam War hampered DoD’s drive to develop Diego Garcia. Schlesinger made his case for a budget supplement of \$29 million for the expansion of U.S. support facilities on the island in March 1974, arguing that U.S. interests would be served by a more regular military presence in the Indian Ocean, given the situation in the Middle East and the worldwide growth in Soviet naval capabilities and deployments. He also maintained the funds would “limit the costs of Indian Ocean deployments and provide greater flexibility in the types of forces the United States would have available in that area of the world.”¹⁰⁵ Schlesinger’s plea failed to move some important players in Congress until the spring of 1975, when the Secretary produced satellite photographs showing Soviet construction of fuel tanks, a long runway, a communications station, and a missile-handling facility in the Somali city of Berbera, on the Red Sea. U.S. officials later visited the area at the invitation of the Somalis. Moscow suggested that its naval facility at the port was actually a meat processing plant, prompting Schlesinger to comment that the Soviets must be handling “Bunyanesque oxen” in Berbera.¹⁰⁶ The photographs of the Soviet buildup galvanized key supporters in Congress, including Senator Stennis, who that summer

described Diego Garcia as an “absolute necessity” if the United States were to be able to keep open the sea lanes leading to Persian Gulf oil.¹⁰⁷

By March 1976, the sense of crisis in the Gulf had eased, and the Joint Chiefs of Staff recommended only three Indian Ocean deployments over the next fiscal year. Even so, in August, Secretary Rumsfeld directed that each deployment deliver a “substantial presence and operations in the Arabian Sea area,” cementing Schlesinger’s decision to maintain a regular naval presence near the Gulf. The persistent efforts of some in Congress to derail plans for Diego Garcia failed to reverse the Ford administration’s policy.¹⁰⁸

The Defense Department’s involvement in the Persian Gulf expanded as the nation’s interests there grew after the 1973 Arab oil embargo. As the Nixon and Ford administrations’ “twin pillars” approach to the region swung into high gear, Saudi Arabia and Iran became the largest recipients of U.S. military assistance—and buyers of U.S. arms—in the world. U.S. naval activities and plans for future operations in the Indian Ocean grew as the United States pursued a more robust military presence in the area to help secure reliable access to Persian Gulf oil and thwart Soviet influence. On the surface, by the end of the Ford administration, U.S. actions had strengthened the American position in the Persian Gulf. However, like the 1973 embargo, major events in the region during the Carter administration—the Islamic revolution in Iran, the seizure of the Grand Mosque in Mecca by Saudi militants, and the Soviet invasion of Afghanistan—would create a new set of challenges for the United States and shift the foundation on which Defense officials operated.

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